How can economists help to improve animal welfare?

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Abstract

To-date, the dominant approach to improving farm animal welfare has consisted of a combination of voluntary improvements undertaken by farmers and the tightening of legal requirements. However, history suggests that there is a limit to the improvements capable of being secured by this approach. In this paper, it is argued that economic principles can and should have an important role when new, market-driven and other approaches are set up to improve farm animal welfare. The paper focuses on two ways in which economic principles can improve analyses of animal welfare. The first is by helping to define priorities as to which aspects of animal welfare should be promoted. Here, economic approaches can be used to capture and synthesise the perspectives of all the stakeholders, including the animals, in a transparent and systematic way. The second way is by helping to ensure that incentives are set up in the right way. Where the benefits and costs of improving animal welfare are initially distributed unevenly across stakeholders so that a socially desirable situation will not develop automatically, or be implemented, suitable economic principles may help to create incentives which correct this situation. Thus, if society is to achieve its goal of improving animal welfare, scholars from different disciplines should collaborate in identifying animal needs, assessing stakeholder preferences, making priorities transparent and providing incentives that make solutions realistically attainable.

Keywords: animal welfare, economics, incentives, priorities, stakeholders, transparency

Introduction

For many people the word ‘economics’ will have a somewhat sinister sound when it appears in discussions of animal welfare. Most likely, a negative message such as ‘it is too costly to increase farm animal welfare’ will be expected. However, our message is a positive one. In the present paper, we suggest that economics can help improve animal welfare by making prioritisation of welfare issues transparent and setting up efficient incentive schemes.

Since the late 1960s, farm animal welfare has been on the political agenda, particularly in the Northern part of Europe. The main tool used to protect animal welfare has been legislation — with laws being implemented first at the national level and now increasingly within the European Union (EU) framework (Bennett 1997; Fraser 2008). Research in the field has been dominated by technical and natural science approaches designed to investigate the needs of animals and how these needs are catered for by different production systems. For decades, research results have been adopted gradually by farmers, either in response to legislation (which tightens the minimum requirements for keeping farm animals) or voluntarily (because some of the suggested changes might improve profitability or could be implemented without imposing significant extra costs, or because somewhere along the supply chain someone can see a market opportunity for special ‘welfare-friendly’ products).

However, lately, it has become clear there is a limit regarding the extent to which it is possible to improve animal welfare through a combination of voluntary improvements and the tightening of the law. There are a number of reasons for this.

One reason is that the relatively low-cost, or possibly cost-free, or even profitable, welfare improvements have to a large extent been implemented, because these are the easiest for different stakeholders to agree on. Examples may include bans on the tethering of dairy cows, bans on tethered sows, and the requirement of light programmes allowing broilers a certain minimum of hours in darkness. Many of the things which might further improve animal welfare — such as reducing stocking density, securing better resting areas, phasing out of close confinement systems, or providing outdoor access — might increase costs. At the same time, the growing trade in animal products across nations and regions, and the resulting increase in the intensity of price competition, is making it more difficult to use national and wider, regional legisla-